

COASTAL CONSERVANCY

Staff Recommendation
June 30, 2004

Bayview Ranch

File No. 04-038
Project Manager: Sheila Semans

RECOMMENDED ACTION: Authorization to disburse up to \$750,000 to the City of Arcata to acquire fee title to the 322 acre Bayview Ranch located within the Jacoby Creek/Gannon Slough Enhancement Area adjacent to Humboldt Bay for the purposes of resource enhancement.

LOCATION: The Bayview Ranch is situated north and east of Humboldt Bay in the City of Arcata in Humboldt County and is completely within the coastal zone.

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

Exhibit 1: Site Location Map

Exhibit 2: Project Location Map

Exhibit 3: Letters of Support

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31251-31270 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes disbursement of an amount not to exceed seven hundred fifty thousand dollars (\$750,000) to the City of Arcata for the acquisition of the Bayview Ranch property in Humboldt County (Humboldt County Assessor’s Parcel Numbers: 501-04-208, 501-04-205, and 501-04-216), and associated transaction costs, for the purposes of resource enhancement, public access, open space and scenic protection, and agricultural preservation, subject to the following conditions.

1. Prior to the disbursement of any Conservancy funds, the Executive Officer of the Conservancy ("Executive Officer") shall review and approve all relevant acquisition documents, not limited to an appraisal, agreement of purchase and sale, escrow instructions, and title documents.
 2. The City of Arcata shall pay no more than fair market value for the property interests, as established in an appraisal approved by the Executive Officer.
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3. The City of Arcata shall permanently dedicate the property for resource enhancement, public access, open space and scenic protection, and agricultural preservation, in a manner acceptable to the Executive Officer and consistent with Public Resources Code Section 31116(b);
4. The City of Arcata shall acknowledge Conservancy and Proposition 40 bond funding by erecting and maintaining a sign on the property, the design and location of which has been reviewed and approved by the Executive Officer.”

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed project is consistent with Chapter 6 of Division 21 of the Public Resources Code, regarding coastal resource enhancement.
2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.
3. Matching funds will be provided by the Wildlife Conservation Board, the City of Arcata, and the California Waterfowl Association.”

PROJECT SUMMARY:

Staff recommends that the Conservancy authorize disbursement of up to \$750,000 to the City of Arcata to acquire fee title to the 322 acre Bayview Ranch property in Humboldt County (Humboldt County Assessor’s Parcel Numbers: 501-04-208, 501-04-205, and 501-04-216), and associated transaction costs, to preserve and enhance natural resources, protect coastal agriculture, preserve the scenic corridor along Arcata Bay, and expand public access. Conservancy funds will contribute to a total purchase price of \$1,500,000, which constitutes a bargain sale for the property that previously appraised at \$1,750,000.

In 1999 the City of Arcata worked with state and federal agencies including the Coastal Conservancy to identify lands of high resource value in the City of Arcata adjacent to Humboldt Bay. At that time, the City delineated the Jacoby Creek/Gannon Slough Enhancement area (Exhibit 2), which included 17 properties totaling 642 acres (Exhibit 2), as a priority restoration area and identified parcels appropriate for acquisition. The Bayview Ranch is the largest private in-holding in the Enhancement Area and represents a critical property necessary to enhance the lower Jacoby Creek estuary. This property also ranked as one of the highest priorities on the City’s Open Space Protection Program acquisition matrix, and is identified in the Pacific Coast Joint Venture’s strategic plan as requiring protection and enhancement.

Acquisition of the Bayview Ranch will protect the remaining riparian and in-stream habitat values associated with Jacoby Creek and Gannon Slough and its tributaries, and allow for future enhancement of one of Humboldt Bay’s most important estuaries. Both Jacoby Creek and Gannon Slough provide vital habitat for coastal cutthroat trout (*Oncorhynchus clarki clarki*), coho salmon (*Oncorhynchus kisutch*), steelhead – northern California ESU (*Oncorhynchus mykiss*), and tidewater goby (*Eucyclogobius newberryi*). Future enhancement of both tidal and freshwater wetlands and riparian and in-stream habitats will benefit a multitude species found in and along Humboldt Bay that are biologically rare, very restricted in distribution, or declining throughout

their range. The City will begin developing a detailed management plan of the larger Jacoby Creek/Gannon Slough Enhancement area in consultation with the Conservancy and other state and federal agencies once the acquisition is complete.

The Bayview Ranch property is contiguous with existing public lands owned by the U.S. Fish and Wildlife Service, Humboldt Bay Wildlife Refuge, the City of Arcata and the Department of Fish and Game. Acquisition of the property will establish a continuous corridor of local, state and federally protected lands adjacent to Humboldt Bay, totaling more than 1375 acres. As a result, public acquisition of the Bayview property is the last remaining piece in the lower estuary that will enable coordinated resource management on a landscape level.

The City of Arcata intends to allow for the continuation of economically viable agricultural uses on the property, consistent with the protection of natural resources. The City will establish a grazing area and lease the lands to area ranchers. Grazing fees will be used to support coastal and riparian resource enhancement as well as long-term management of the Bayview Ranch property. In this way, the project will enable the property to continue contributing to the local agricultural economy, while improving resource values and protecting open space. The City is successfully doing this on City-owned property just north of the Bayview Ranch.

Lastly, the proposed project will expand public access opportunities, where consistent with natural resource enhancement, by establishing a trail system along Jacoby Creek and Gannon Slough. Recreational opportunities will include nature study, bird watching, photography, hiking and scientific and educational study. Local conservation groups, such as the Audubon Society, which lead weekly walks at that Arcata Marsh and Wildlife Sanctuary, will likely expand their services to lead field trips to this area. Also, the Jacoby Creek Elementary School is located adjacent to the property. The extensive freshwater wetlands next to the school will be made available for students to conduct nature study activities via a footpath.

Arcata's environmental restoration projects began in the early 1980's with the creation of the City's nationally recognized Arcata Marsh and Wildlife Sanctuary. Arcata's Environmental Services Natural Resource Division currently manages the Arcata Marsh and Wildlife Sanctuary (306 acres), the Arcata Community Forest (1150 acres), the City's riparian areas, wetlands and designated open spaces. The City has also created wetlands adjacent to the City-owned Community Park Sports Complex and at the Aldergrove Industrial Park. Stream restoration activities have occurred on nearby Janes Creek, Campbell Creek, Butchers Slough, Jolly Giant Creek and Grotzman Creek. The City's wetland and stream enhancement projects are cooperative efforts with federal and state agencies, as well as local not-for-profit organizations, schools and community groups. The City's wetland, riparian and forest improvement projects, which include both watershed restoration and reforestation, are ongoing. This project represents a cooperative effort between the Conservancy, the California Department of Fish and Game (DFG), the Wildlife Conservation Board (WCB), the City of Arcata, the Jacoby Creek Land Trust, the Humboldt Bay Watershed Advisory Committee, California Waterfowl Association and many local groups.

Site Description: The Bayview Ranch is located in the City of Arcata and the County of Humboldt adjacent to the northern edge of Humboldt Bay. Bayview Ranch now supports grazing and other agricultural uses with residential farmhouses. City zoning for the property is Agricultural Exclusive.

The Bayview Ranch is the largest private land holding in the Jacoby Creek/Gannon Slough Enhancement Area which includes areas classified as Pasture (PAS) with pockets of Freshwater Emergent Wetlands (FEW) and Saline Emergent Wetlands (SEW). The Jacoby Creek and Gannon Slough corridors that run through the ranch are closest to the Valley Foothill Riparian (VRI) classification though Gannon Slough and its tributaries are currently devoid of riparian vegetation. The Jacoby Creek corridor contains willow (*Salix sp.*), sitka spruce (*Picea sitchensis*), red alder (*Alnus rubra*) and coast redwood (*Sequoia sempervirens*).

Jacoby Creek and Gannon Slough corridors are part of the larger Humboldt Bay ecosystem that accommodates fish, waterfowl, wading birds, shorebirds, passerines, raptors, and other water associated wildlife. Humboldt Bay is second only to San Francisco Bay in the numbers and variety of migratory water-associated birds wintering in the coastal segment of the of the Pacific Flyway of California, and is a critical stop-over for migrating birds. Waterfowl use the area for nesting, feeding and resting.

Both Jacoby Creek and Gannon Slough, as well as their tributaries (Beith, Campbell, and Grotzman Creeks), provide habitat for coastal cutthroat trout (*Oncorhynchus clarki clarki*), coho salmon (*Oncorhynchus kisutch*), steelhead – northern California ESU (*Oncorhynchus mykiss*), and tidewater goby (*Eucyclogobius newberryi*). Jacoby Creek is the largest stream entering north Humboldt Bay, draining a 10,000 acre watershed. An identified limiting factor for existing coho salmon in this watershed is the lack of an estuary. Jacoby creek is constrained by degraded levees parallel to the stream. Establishment of an enhanced estuary is one of the outstanding opportunities that will be possible after acquisition. While anadromous fish do utilize Gannon Slough and its tributaries, tide gates at the mouth of the slough limit access. Acquisition will enable the City to install fish-friendly tide gates on Gannon Slough to improve fish passage and estuarine conditions.

Bird species of concern that are found in or adjacent to this area include; California Brown Pelican (*Pelecanus occidentalis californicus*), Great Blue Heron (*Ardea herodias*), Great Egret (*Ardea alba*), American Bittern (*Botaurus lentiginosus*), Black-Crowned Night Heron (*Nycticorax nycticorax*), Snowy Egret (*Egretta thula*), Aleutian Canada Goose (*Branta canadensis leucopareia*), Cooper's Hawk (*Accipiter cooperi*), Sharp-shinned Hawk (*Accipiter striatus*), Northern Harrier (*Circus cyaneus*), White-tailed Kite (*Elanus leucurus*), Merlin (*Falco columbarius*), American Peregrine Falcon (*Falco peregrinus anatum*), Short-eared Owl (*Asio flammeus*), and Yellow Warbler (*Dendroica petechia brewsteri*). The City will work to manage the riparian area, wetlands and agricultural land to benefit many of the species listed above.

Estuarine enhancement provides opportunities to reestablish habitat for plant species of concern. California Native Plant Society listed plants that could benefit include Humboldt Bay owl's clover (*Castilleja ambigua ssp. humboldtiensis*), Point Reyes bird's-beak (*Cordylanthus maritimus ssp. palustris*), and dwarf alkali grass (*Puccinellia pumila*). Lyngby's sedge (*Carex lyngbyei*), also present, is under consideration for listing by CNPS. Humboldt Bay owl's clover (*Castilleja ambigua ssp. humboldtiensis*) is found on the property near the mouth of Gannon Slough.

Project History: Arcata's environmental restoration projects began in the early 1980's with the creation of the Arcata Marsh and Wildlife Sanctuary (Exhibit 2), which established the City as a

leader in the field of wetland restoration. The original 75 acres of the Arcata Marsh and Wildlife Sanctuary, including 30 acres of freshwater wetlands, was completed in 1981. In 1986 the City expanded the Sanctuary to the east by realigning Butchers Slough to reestablish a more natural meandering course and restore salt marsh habitat. The 1986 expansion also created a freshwater wetland adjacent to Butchers Slough out of the remains of an old log pond. Funding for both of these phases of the Arcata Marsh and Wildlife Sanctuary came from a variety of sources, including the Coastal Conservancy. The most recent improvement to the Marsh and Wildlife Sanctuary involves a 75-acre acquisition using funds from the Environmental Enhancement and Mitigation Program and the Wildlife Conservation Board for the McDaniel Slough Enhancement Project. Working in cooperation with the Department of Fish and Game to include DFG's adjacent property in the enhancement efforts, the Conservancy funded the McDaniel Slough Enhancement Plan that will result in a 274 acre fresh and saltwater marsh complex, including an expansion of the Arcata Marsh and Wildlife Sanctuary. Implementation at McDaniel Slough should begin this year.

ESTIMATED PROJECT FINANCING:

Coastal Conservancy	\$750,000
Wildlife Conservation Board	500,000
California Waterfowl Association	185,000
City of Arcata/Jacoby Creek Land Trust	<u>65,000</u>

Total Project Cost **\$1,500,000**

The proposed funding source for the Conservancy's contribution is Proposition 40, the "California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002". These funds may be used for coastal habitat restoration projects consistent with Section 31251 of the Public Resources Code. In addition, the proposed project is appropriate for Proposition 40 grant funding priority, since it includes a commitment of matching funds (Public Resources Code §5096.651).

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project would be undertaken pursuant to Chapter 6 of the Conservancy's enabling legislation, Public Resource Code Sections 31251-31270. Pursuant to Section 31251, the Conservancy may award grants to local public agencies for the purposes of enhancement of coastal resources that have suffered loss of natural and scenic values due to prolonged agricultural use. Also consistent with this Section, the funds would be used for the acquisition of land within a coastal resource enhancement area to improve resource management.

Pursuant to §31252 the proposed project is consistent with the City of Arcata's Local Coastal Program as described in the Consistency with Local Coastal Program Policies below. Acquisition of the Bayview property is necessary to resolve natural resource impacts from current agricultural uses of the property on the lower Jacoby Creek estuary.

Consistent with §31253, the amount of funding recommended for the proposed project is based on the total amount of funding available for coastal resource enhancement projects, the fiscal

resources of the applicant and its project partners, and the urgency of the project relative to other eligible coastal resource enhancement projects.

Consistent with §31255, the City of Arcata submitted a proposal for the proposed project to the Coastal Conservancy.

**CONSISTENCY WITH CONSERVANCY'S
STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):**

Consistent **with Goal 2, Objective A**, the proposed acquisition will protect open space and expand public access opportunities by establishing a trail system along Jacoby Creek and Gannon Slough, connecting to trails on adjacent public lands.

Consistent **with Goal 4, Objective A**, the proposed project represents an acquisition of a significant coastal property, and will allow for landscape-level planning for fish and wildlife habitat.

Consistent **with Goal 5, Objective A**, the proposed project will enhance coastal wetlands and stream corridors on the property and within the larger Humboldt Bay ecosystem.

**CONSISTENCY WITH CONSERVANCY'S
PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Support of the public:** The proposed project enjoys wide support from the public, local, state and federal agencies, and legislators. See Letter of Support (Exhibit 4).
4. **Location:** The proposed project is located within the coastal zone of the City of Arcata adjacent to both the U.S Fish and Wildlife Service Humboldt Bay Wildlife Refuge and other City owned resource protection areas.
5. **Need:** Without Conservancy funds, the acquisition will not be possible. The property ranks as a high priority in the Jacoby Creek/Gannon Slough Enhancement Area, on the City's Open Space Protection Program acquisition matrix, and is identified in the Pacific Coast Joint Venture's strategic plan as requiring protection.
6. **Greater-than-local interest:** Humboldt Bay is second only to San Francisco Bay in the numbers and variety of migratory water-associated birds wintering in the coastal segment of the of the Pacific Flyway of California, and is a critical stop-over for migrating birds.

Waterfowl use the area for nesting, feeding and resting. Habitat improvements on the Bayview Ranch should benefit many waterfowl and passerine bird species while providing the local residents and tourists with passive recreational access to enjoy these resources.

Additional Criteria

7. **Urgency:** While this area is zoned for agricultural use, the adverse economics of small dairy operations combined with urbanizing pressures in the region makes it more likely that higher value, more intensive land uses may supplant dairy farming, limiting future opportunities for habitat restoration. Furthermore, current agricultural practices are degrading the natural resource value of the property and acquisition and enhancement is necessary to improve habitat for anadromous fish species.
8. **Resolution of more than one issue:** Public acquisition of the Bayview Ranch property will preserve and enhance wildlife and fishery habitat, protect prime agricultural land, preserve the scenic corridor along State Highway 101, and expand public access.
9. **Leverage:** See the “Project Financing” section above.
10. **Readiness:** The landowner has signed a purchase and sale agreement and has agreed to a bargain sale of the property to the public purchase.
11. **Realization of prior Conservancy goals:** “See “Project History” above.
12. **Cooperation:** Acquisition of the Bayview Ranch is a cooperative effort of the Conservancy, WCB, California Waterfowl Association, Pacific Coast Joint Venture, City of Arcata, Fish and Game and the Jacoby Creek Land Trust. The acquisition is also supported by the Redwood Region Audubon Society and the US Fish and Wildlife Service (Humboldt Bay Refuge).

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The Humboldt Bay Area Plan and its supporting zoning regulations form the Local Coastal Program (LCP) for the project area. Humboldt County's LCP consists of an integrated system of Land Use Plan (LUP) and Implementation Plan (IP) documents. The Humboldt County LCP policies, which address resource protection and public access issues, are extensive. The following specific policies apply to the proposed project:

Environmental Constraints III-7: The City shall seek funding to provide for restoration of the following degraded resources: (d) Beith and Grotzman Creeks east of Highway 101 and west of Old Arcata Road (e) Campbell Creek from Samoa Boulevard to Gannon Slough, (f) Gannon Slough. The proposed project incorporates portions of all of these areas.

Public Facilities VI-4 The City shall support the development of access to the Humboldt Bay National Wildlife Refuge, Jacoby Creek Unit of which the proposed project is part.

Public Facilities VI-8 The City shall seek funding to establish a system of foot trails and interpretive sites along the Arcata Bay Shore which supports the preservation of natural resources to protect wildlife habitat areas and encourages enhancement of wetland resources. The proposed project will not only include public trails and interpretive areas,

but will link to adjacent publicly owned land to create a more extensive trail corridor along Arcata Bay.

COMPLIANCE WITH CEQA: This project is exempt from the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code of Regulations (CCR) Sections 15313 and 15325. Section 15313 exempts from CEQA review the acquisition of land for wildlife conservation purposes, and Section 15325 exempts transfers of interest in land in order to preserve open space and habitat resources. Staff will file a Notice of Exemption upon approval of this project.